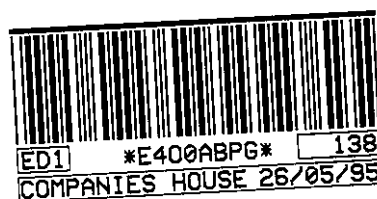


CR HOLDINGS PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 1 JANUARY 1995

REGISTERED NUMBER: 2437245



CR HOLDINGS PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 1 JANUARY 1995

The directors present their report together with the accounts for the 52 weeks ended 1 January 1995.

RESULTS

The results for the year and transfer to reserves are set out in the consolidated profit and loss account on page 5.

For the year ended 1 January 1995 an interim dividend of 14.0p per share was paid on 15 November 1994 (1993: 28.0p). A final dividend of 59.8p per share was paid on 2 February 1995 (1993: nil).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company is that of an investment holding company. The principal activities of the company's subsidiary undertakings are those of manufacturing and marketing automotive and baby products.

The group made significant gains in 1994 on a broad front. Turnover was up 17 per cent, to £33 million, and operating profit increased by 110 per cent to £1.7 million. Sales overseas were 24 per cent better than last year, strengthening further the truly international nature of our operations.

In the Automotive business we continued to benefit from the steady recovery in the retail sector in both our domestic and overseas markets. Our sales to the car manufacturers, however, remained flat during the year. The rising trend in new car registrations in the UK fell away in the second half of the year after a promising start, while growth in our main markets in Continental Europe was patchy. We have, however, gained further market share in this sector which will show through in sales in 1995.

In the Baby business our own Avent brand made further progress during the year in all of our major markets. Growth in the difficult US market was especially pleasing. Our unique range of branded products together with selected private-label business puts the company in a strong position to withstand the competitive challenges in the marketplace.

The continuation of cost savings measures introduced during 1993, together with higher volumes and reduced interest expense through lower borrowings, provided significant improvement to our level of profitability. Although we are currently experiencing some cost pressures from certain material input prices resulting mainly from sterling weakness, we are confident of making further progress in market penetration and operating margins in both of our businesses. We have already made an encouraging start to 1995.

On 6 March 1995 the group's principal UK operating subsidiary attained accreditation to the internationally recognised quality standard BS EN ISO 9001, further cementing the excellent relationship we enjoy with our major customers.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT

FOR THE 52 WEEKS ENDED 1 JANUARY 1995 (Continued)

DIRECTORS

The directors of the company during the year and their family shareholdings at 2 January 1994 and 1 January 1995 were as follows:

	<u>1 January 1995</u>	<u>£1 ordinary shares</u> <u>2 January 1994</u>
R Marsh (Chairman)	-	-
E Atkin	275,205	244,250
G Shalet	-	-
Mrs KC Atkin	4,000	34,955
C Atkin	-	-
B Gold	-	-

In addition to the above, at 2 January 1994 and 1 January 1995 B Gold and E Atkin held 74,500 shares as trustees for E Atkin's children.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company as at the end of the financial year and of the group's profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 5 to 22, the group and company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the group and company keep accounting records which disclose with reasonable accuracy the financial position of the group and company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and company and to prevent and detect fraud and other irregularities.

FIXED ASSETS

Details of fixed assets are shown in notes 8 and 9 to the accounts. Land and buildings were revalued based on a professional valuation as at 31 December 1992.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT

FOR THE 52 WEEKS ENDED 1 JANUARY 1995 (Continued)

EMPLOYEES

The group is continually seeking new and improved methods of achieving a greater degree of involvement of all staff.

It is the group's policy to offer equal opportunity to disabled persons applying for vacancies and in their training, career development and promotion, having regard to their aptitudes and abilities in relation to the jobs for which they apply.

Wherever possible, the group will continue the employment of persons who become disabled during the course of their employment including, if appropriate, the provision of suitable alternative employment.

ENVIRONMENTAL ISSUES

The group is concerned for the necessity to operate its affairs with an awareness of environmental issues. This commitment has been embodied in a comprehensive policy document which the company has adopted to address these matters.

CHARITABLE DONATIONS

Charitable donations made during the year totalled £11,314 (1993: £1,865).

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



G Shalet
Secretary

Ashley Road
London N17 9LH

28 April 1995

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF CR HOLDINGS PLC

We have audited the accounts on pages 5 to 22 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 1 January 1995 and of the profit and cash flows of the group for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Chartered Accountants
and Registered Auditors

28 April 1995

CR HOLDINGS PLC AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 1 JANUARY 1995

	Note	52 weeks ended 1 January 1995 £'000	52 weeks ended 2 January 1994 £'000
TURNOVER	1(3),2	32,682	27,819
Cost of sales		<u>(22,129)</u>	<u>(19,346)</u>
GROSS PROFIT		10,553	8,473
Distribution costs		(1,131)	(914)
Administrative expenses		(7,662)	(6,620)
Foreign exchange losses		<u>(14)</u>	<u>(107)</u>
OPERATING PROFIT	3	1,746	832
Exceptional item	4	<u>-</u>	<u>(101)</u>
PROFIT BEFORE INTEREST AND TAXATION		1,746	731
Interest payable	5	<u>(543)</u>	<u>(644)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,203	87
Taxation	6	<u>(420)</u>	<u>(194)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		783	(107)
Dividends	7	<u>(263)</u>	<u>(100)</u>
RETAINED PROFIT/(LOSS) FOR THE YEAR	18	<u>520</u>	<u>(207)</u>

All of the above results derive from the continuing operations of the company.

The notes on pages 10 to 22 form an integral part of these accounts.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE 52 WEEKS ENDED 1 JANUARY 1995

	52 weeks ended 1 January 1995 £'000	52 weeks ended 2 January 1994 £'000
Profit/(loss) for the financial year	783	(107)
Currency translation differences	<u>54</u>	<u>41</u>
Total profit/(loss) recognised since last annual report	<u>837</u>	<u>(66)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE 52 WEEKS ENDED 1 JANUARY 1995

	52 weeks ended 1 January 1995 £'000	52 weeks ended 2 January 1994 £'000
Reported profit on ordinary activities before taxation	1,203	87
Realisation of property revaluation surplus of previous years	<u>-</u>	<u>753</u>
Historical cost profit on ordinary activities before taxation	1,203	840
Taxation	<u>(420)</u>	<u>(194)</u>
Historical cost profit for the year after taxation	783	646
Dividends	<u>(263)</u>	<u>(100)</u>
Historical cost profit retained for the year	<u>520</u>	<u>546</u>

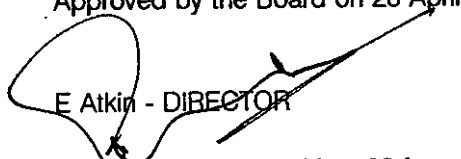
The notes on pages 10 to 22 form an integral part of these accounts.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET - 1 JANUARY 1995

	<u>Note</u>	<u>1 January 1995</u>		<u>2 January 1994</u>	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		7,510		7,104
Intangible assets	9		178		178
CURRENT ASSETS					
Stocks	11	5,221		4,565	
Debtors	12	6,643		5,155	
Cash at bank and in hand		<u>988</u>		<u>1,527</u>	
		12,852		11,247	
CREDITORS (amounts falling due within one year)	13	<u>(10,042)</u>		<u>(8,424)</u>	
NET CURRENT ASSETS			<u>2,810</u>		<u>2,823</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,498		10,105
CREDITORS (amounts falling due after more than one year)	14		(3,424)		(3,550)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	15		<u>(416)</u>		<u>(471)</u>
			6,658		6,084
CAPITAL AND RESERVES					
Called up share capital	16		356		356
Profit and loss account	18		4,312		3,754
Revaluation reserve	18		<u>1,990</u>		<u>1,974</u>
EQUITY SHAREHOLDERS' FUNDS			<u>6,658</u>		<u>6,084</u>

Approved by the Board on 28 April 1995

 E Atkin - DIRECTOR

The notes on pages 10 to 22 form an integral part of these accounts.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

COMPANY BALANCE SHEET - 1 JANUARY 1995

	<u>Note</u>	<u>1 January 1995</u>		<u>2 January 1994</u>	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	10		362		356
CURRENT ASSETS					
Debtors	12	226		173	
CREDITORS (amounts falling due within one year)	13	<u>(231)</u>		<u>(171)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(5)</u>		<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>357</u>		<u>358</u>
CAPITAL AND RESERVES					
Called up share capital	16		356		356
Profit and loss account	18		<u>1</u>		<u>2</u>
EQUITY SHAREHOLDERS' FUNDS			<u>357</u>		<u>358</u>

Approved by the Board on 28 April 1995


E. Atkin - DIRECTOR

The notes on pages 10 to 22 form an integral part of these accounts.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 1 JANUARY 1995**

		52 weeks ended <u>1 January 1995</u>		52 weeks ended <u>2 January 1994</u>	
	<u>Note</u>	£'000	£'000	£'000	£'000
Net cash inflow from operating activities	20(a)		2,281		3,040
Servicing of finance					
Interest paid		(551)		(714)	
Dividend paid		<u>(50)</u>		<u>(100)</u>	
Net cash outflow from servicing of finance			(601)		(814)
Taxation					
Corporation tax paid			(14)		(10)
Investing activities					
Payments to acquire tangible fixed assets		(1,294)		(1,030)	
Receipts on sale of fixed assets		<u>51</u>		<u>1,413</u>	
			(1,243)		383
Net cash inflow before financing			423		2,599
Financing					
Long term loan repayment			(317)		(317)
Capital element of finance lease repayments			<u>(291)</u>		<u>(239)</u>
(Decrease)/increase in cash and cash equivalents	20(b)		(185)		2,043

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995

1 ACCOUNTING POLICIES

(1) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards.

(2) Consolidated accounts

The accounts consolidate the financial statements of the company and its subsidiaries.

(3) Turnover

Turnover represents sales invoiced to outside customers, less returns and allowances and is stated exclusive of value added tax.

(4) Depreciation and amortisation

Tangible fixed assets are depreciated over their estimated useful lives, at the following rates per annum:

Freehold land	- Nil
Freehold buildings	- 2% on cost or valuation
Short leasehold land and buildings	- over the life of the lease
Plant and machinery	- 15% on cost
Office furniture, fittings and equipment	- 12½-20% on cost
Motor vehicles	- 25% on cost
Moulds	- 20-25% on cost

Provision is made for permanent diminutions in the value of intellectual property rights as and when such diminution is identified.

(5) Stocks and work-in-progress

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes direct materials and labour together with apportioned overheads.

(6) Deferred taxation

Provision is made, using the liability method, for taxation deferred as a result of capital allowances on tangible fixed assets being greater than the depreciation of these assets in the accounts. Full provision is made since it is anticipated that such differences will reverse in the foreseeable future. Short term timing differences are also taken into account. No provision is made for taxation that would become payable on the disposal of land and buildings at their revalued amounts where such disposal is not anticipated in the foreseeable future.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

1 ACCOUNTING POLICIES (Continued)

(7) Leased assets

Assets held under finance leases are accounted for as purchases of assets. When a finance lease agreement is entered into, the fixed asset and the related obligation are included in the balance sheet at the fair value of the asset. The fixed asset is depreciated over its estimated useful life. Period payments of rent are accounted for in the appropriate proportions as repayments of principal and charges of interest.

(8) Rates of exchange

The accounts of overseas subsidiaries have been incorporated into the consolidated accounts by translating foreign currencies into sterling at the rates of exchange ruling at the balance sheet date. Exchange adjustments arising on translation are taken direct to reserves.

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction.

At the balance sheet date, amounts payable or receivable in a foreign currency have been converted at the rate ruling at that date.

2 SEGMENTAL INFORMATION

The geographical analysis of the group's turnover is as follows:

	Turnover	
	1994	1993
	£'000	£'000
Geographical market:		
United Kingdom	16,778	14,964
Europe and the rest of the world	<u>15,904</u>	<u>12,855</u>
	32,682	27,819
	<u> </u>	<u> </u>

In the opinion of the directors the disclosure of additional financial information by geographical market or by class of business would be seriously prejudicial to the interests of the group.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

3 OPERATING PROFIT

	<u>1994</u> £'000	<u>1993</u> £'000
Operating profit is stated after charging:		
Staff costs (excluding directors' emoluments):		
Wages and salaries	8,192	7,122
Social security costs	922	749
Other pension costs	140	129
Depreciation		
- owned assets and leasehold buildings	1,188	1,266
- leased assets excluding leasehold building	252	207
Hire of plant and machinery	37	18
Auditors' remuneration - audit	57	61
- other	45	26

Directors' emoluments

The total emoluments of directors, including pension contributions, were as follows:

	<u>1994</u> £'000	<u>1993</u> £'000
Fees	6	8
Other emoluments	<u>490</u>	<u>263</u>
	496	271
	<u> </u>	<u> </u>

The emoluments of the chairman and the highest paid director, excluding pension contributions, were as follows:

	<u>1994</u> £'000	<u>1993</u> £'000
Chairman	6	8
Highest paid director	<u>177</u>	<u>146</u>

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

3 OPERATING PROFIT (Continued)

Directors' emoluments, excluding pension contributions, fell into the following ranges:

	<u>1994</u> Number	<u>1993</u> Number
£0 - £ 5,000	1	1
£5,001 - £10,000	1	1
£10,001 - £15,000	1	1
£40,001 - £45,000	1	1
£55,001 - £60,000	1	1
£145,001 - £150,000	-	1
£175,001 - £180,000	1	-

In addition to the emoluments shown above, Gainswood Limited, a company owned by C Atkin, was paid £75,150 during the year (1993: £63,580) for consultancy services to Cannon Rubber Limited. Although B Gold received no fees for his services as a director of the company, Gold, Mann & Co, a firm in which he is a partner received fees of £55,610 (1993: £69,395) for services provided to CR Holdings plc and its subsidiaries during the year.

4 EXCEPTIONAL ITEM

In 1993 Cannon Rubber GmbH negotiated the sale of its warehouse, near Cologne.

The loss on the sale of this property is calculated as follows:

	<u>1993</u> £'000
Proceeds of sale	1,362
Less:	
Net carrying value as at 31 December 1993	(1,397)
Expenses of sale	(66)
	(101)
	<u> </u>

5 INTEREST PAYABLE

Interest payable is in respect of:

	<u>1994</u> £'000	<u>1993</u> £'000
Long term loan	347	363
Bank overdrafts and short term borrowings	123	224
Finance leases	<u>73</u>	<u>57</u>
	543	644
	<u> </u>	<u> </u>

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

6 TAXATION

	<u>1994</u> £'000	<u>1993</u> £'000
Taxation charge/(credit) in respect of the current period:		
UK corporation tax at 33% (1993: 33%)	463	201
Overseas tax	5	-
UK deferred taxation at 33% (1993: 33%)	(58)	(7)
Overseas deferred taxation	<u>2</u>	<u>-</u>
	412	194
Adjustment of taxation in respect of prior periods for UK and foreign taxes:		
Current taxation	<u>8</u>	<u>-</u>
	420	194
	<u> </u>	<u> </u>

7 DIVIDENDS

	<u>1994</u> £'000	<u>1993</u> £'000
Interim paid: 14p (1993 - 28p)	50	100
Final proposed: 59.8p (1993 - nil)	<u>213</u>	<u>-</u>
	263	100
	<u> </u>	<u> </u>

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

8 TANGIBLE ASSETS

<u>Group</u>	<u>Land and buildings</u> £'000	<u>Plant and machinery</u> £'000	<u>Moulds</u> £'000	<u>Office equipment</u> £'000	<u>Motor vehicles</u> £'000	<u>Total</u> £'000
<u>Cost or valuation</u>						
At 2 January 1994	3,739	9,394	4,745	1,885	979	20,742
Exchange adjustment on consolidation	12	12	8	10	4	46
Additions	35	632	607	358	246	1,878
Disposals	-	-	-	(102)	(199)	(301)
At 1 January 1995	<u>3,786</u>	<u>10,038</u>	<u>5,360</u>	<u>2,151</u>	<u>1,030</u>	<u>22,365</u>
<u>Accumulated depreciation</u>						
At 2 January 1994	25	7,751	3,599	1,551	712	13,638
Exchange adjustment on consolidation	19	12	7	8	2	48
Provision for the year	45	550	579	146	147	1,467
Disposals	-	-	-	(101)	(197)	(298)
At 1 January 1995	<u>89</u>	<u>8,313</u>	<u>4,185</u>	<u>1,604</u>	<u>664</u>	<u>14,855</u>
<u>Net book amount</u>						
At 1 January 1995	<u>3,697</u>	<u>1,725</u>	<u>1,175</u>	<u>547</u>	<u>366</u>	<u>7,510</u>
At 2 January 1994	<u>3,714</u>	<u>1,643</u>	<u>1,146</u>	<u>334</u>	<u>267</u>	<u>7,104</u>
Net book amount of leased assets included in the above						
- at 1 January 1995	-	557	-	162	261	980
- at 2 January 1994	-	<u>360</u>	-	<u>77</u>	<u>197</u>	<u>634</u>

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

8 TANGIBLE ASSETS (Continued)

The group's freehold and leasehold properties were revalued by Messrs. Knight Frank & Rutley as at 31 December 1992. The basis of the valuation was open market for existing use. The revalued amounts have been reflected in these accounts as follows:

	<u>Short Leasehold</u> £'000	<u>Freehold</u> £'000
Assets valued as at 31 December 1992	<u>644</u>	<u>3,100</u>

At 1 January 1995 the group had capital commitments of £296,347 (1993: £184,758)

9 INTANGIBLE ASSETS

At the end of 1994 the group carried intellectual property rights at a cost of £178,000 (1993 - £178,000)

10 INVESTMENTS

Subsidiary undertakings

The subsidiary undertakings are wholly owned and comprise:

	<u>Cost of</u> <u>shares held</u> £	<u>Country</u> <u>of incorporation</u>
Cannon Rubber Limited	355,750	Great Britain
The Cannon Rubber Manufacturers Limited	2	Great Britain
Cannon Rubber Singapore (Private) Limited	1	Singapore
Cannon Babysafe Limited (in liquidation)	2	Great Britain
Cannon Automotive Limited	2	Great Britain
Avent Medical Limited	1	Hong Kong
Avent America Inc.	6,390	USA
Cannon Rubber GmbH	-	Germany

Cannon Rubber GmbH, incorporated in Germany, is a wholly owned subsidiary of The Cannon Rubber Manufacturers Limited.

Cannon Automotive Limited is a dormant company.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

11 STOCKS

	<u>1994</u> £'000	<u>1993</u> £'000
Raw materials and packaging	1,414	1,117
Work in progress	415	459
Finished goods	<u>3,392</u>	<u>2,989</u>
	5,221	4,565
	<u> </u>	<u> </u>

12 DEBTORS

	<u>1994</u> £'000	<u>1993</u> £'000
<u>Group</u>		
Trade debtors	6,032	4,770
Amounts owed by associated undertaking	-	7
Other debtors	227	136
Prepayments and accrued income	<u>384</u>	<u>242</u>
	6,643	5,155
	<u> </u>	<u> </u>

	<u>1994</u> £'000	<u>1993</u> £'000
<u>Company</u>		
Amounts owed by group undertakings	<u>226</u>	<u>173</u>

13 CREDITORS (amounts falling due within one year)

	<u>1994</u> £'000	<u>1993</u> £'000
<u>Group</u>		
Bank overdrafts and short term borrowings	1,856	2,283
Long term loan (current portion)	317	317
Trade creditors	3,899	3,509
Amounts owed to associated undertaking	-	14
Other creditors	152	156
Corporation tax	995	533
Taxation and social security	598	277
Accruals and deferred income	1,687	1,118
Hire purchase obligations	226	130
Finance lease obligations	99	87
Dividend payable	<u>213</u>	<u>-</u>
	10,042	8,424
	<u> </u>	<u> </u>

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

13 CREDITORS (amounts falling due within one year) (continued)

<u>Company</u>	<u>1994</u> £'000	<u>1993</u> £'000
Amounts owed to group undertaking	-	156
Corporation tax	18	15
Dividend payable	<u>213</u>	<u>-</u>
	231	171
	<u>231</u>	<u>171</u>

The UK bank overdraft and short term borrowings are secured by a fixed charge over freehold property and a floating charge over the other assets of Cannon Rubber Limited. The bank also holds a debenture over the assets of the company.

14 CREDITORS (amounts falling due after more than one year)

	<u>1994</u> £'000	<u>1993</u> £'000
Obligations under finance leases	171	99
Obligations under hire purchase contracts	397	278
Long term loan	<u>2,856</u>	<u>3,173</u>
	3,424	3,550
	<u>3,424</u>	<u>3,550</u>

The obligations under finance leases (net of finance charges) are payable between one and five years from the balance sheet date.

The obligations under finance leases and hire purchase contracts are due as follows:

	<u>Finance leases</u> £'000	<u>Hire purchase contracts</u> £'000
- between 1 - 2 years	57	185
- between 2 - 5 years	<u>114</u>	<u>212</u>
	171	397
	<u>171</u>	<u>397</u>

The long term loan is repayable over 13 years by six monthly instalments the first of which was paid on 26 January 1992. The rate of interest is 1 15/16% over LIBOR. The loan is secured by a fixed charge over the freehold property and a floating charge over other assets of Cannon Rubber Limited.

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

14 CREDITORS (amounts falling due after more than one year) (continued)

The long term loan becomes payable as follows:

	<u>1994</u> £'000	<u>1993</u> £'000
- between 1 - 2 years	317	317
- between 2 - 5 years	952	952
- after 5 years	<u>1,587</u>	<u>1,904</u>
	2,856	3,173
	<u> </u>	<u> </u>

15 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts comprises:

	<u>1994</u> £'000	<u>1993</u> £'000
Accelerated tax depreciation	144	202
Other timing differences	<u>272</u>	<u>269</u>
	416	471
	<u> </u>	<u> </u>

The provision made represents the full potential liability of the group which in the UK is at 33% (1993 - 33%) in respect of all timing differences.

No taxation has been provided in respect of the chargeable gain that would arise if the land and buildings of Cannon Rubber Limited and Cannon Rubber Singapore (Private) Limited were disposed of at the revalued amounts included in the accounts.

16 SHARE CAPITAL

	<u>1994</u> £'000	<u>1993</u> £'000
Authorised:		
10,000,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Issued and fully paid:		
355,750 Ordinary shares of £1 each	<u>356</u>	<u>356</u>

17 PROFIT AND LOSS ACCOUNT

CR Holdings PLC has not presented its own profit and loss account as permitted by section 230 (1) of the Companies Act 1985. The amount of profit after taxation accounted for by the holding company is £262,000 (1993: £16,000).

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

18 RESERVES

<u>Group</u>	Revaluation <u>reserve</u> £'000	Profit and <u>loss account</u> £'000
As at 2 January 1994	1,974	3,754
Transfer from profit and loss account of the year	-	520
Currency translation differences	<u>16</u>	<u>38</u>
As at 1 January 1995	<u>1,990</u>	<u>4,312</u>

The group's properties were revalued as at 31 December 1992 (see note 8). The revaluation reserve reflects the results of this valuation.

Company

Profit and loss account	£'000
As at 2 January 1994	2
Profit for the year	262
Dividends	<u>(263)</u>
As at 1 January 1995	<u>1</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u> £'000	<u>1993</u> £'000
Profit/(loss) for the financial year	783	(107)
Dividends	<u>(263)</u>	<u>(100)</u>
	520	(207)
Currency translation differences	<u>54</u>	<u>41</u>
Net increase/(reduction) in shareholders' funds	574	(166)
Opening shareholders' funds	<u>6,084</u>	<u>6,250</u>
Closing shareholders' funds	<u>6,658</u>	<u>6,084</u>

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

20 NOTES TO THE CASHFLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities

	<u>1994</u> £'000	<u>1993</u> £'000
Operating profit	1,747	832
Depreciation	1,440	1,473
(Profit)/loss on sale of fixed assets	(48)	8
(Increase)/decrease in stocks	(656)	144
(Increase) in debtors	(1,489)	(381)
Increase in creditors	1,304	965
Exchange rate movement in opening stocks, debtors and creditors	(17)	100
Exceptional item	—	(101)
	<u>2,281</u>	<u>3,040</u>

(b) Analysis of changes in cash and cash equivalents during the year

	<u>1994</u> £'000	<u>1993</u> £'000
Balance brought forward	(756)	(2,787)
Effect of exchange rate movements	73	(12)
Net cash (outflow)/inflow	<u>(185)</u>	<u>2,043</u>
Balance carried forward	(868)	(756)

(c) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1 January <u>1995</u> £'000	2 January <u>1994</u> £'000	<u>Change in year</u> £'000
Cash at bank and in hand	988	1,527	(539)
Bank overdrafts and short term borrowings	<u>(1,856)</u>	<u>(2,283)</u>	<u>427</u>
	(868)	(756)	(112)

CR HOLDINGS PLC AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 1 JANUARY 1995 (Continued)

21 EMPLOYEES

The average number of persons employed by the group during the year was 568 (1993 - 532).

22 PENSION COSTS

In the UK a subsidiary undertaking operates a non contributory defined benefit pension scheme in respect of eligible employees. Contributions are paid by the company to the scheme in accordance with the recommendation of independent qualified actuaries using the aggregate method. The latest actuarial valuation was at 20 March 1994. That subsidiary also has a small amount of unfunded pension liabilities to former employees.

Contributions to the pension scheme together with payment of the unfunded liabilities are charged to the profit and loss account as they become due.

This is not in accordance with the requirements of Statement of Standard Accounting Practice No 24 but, based upon the results of the most recent actuarial valuation, the effect of this is not material in relation to the pension cost charged in the profit and loss account.

During 1994 an executive pension scheme was set up for the benefit of a director.

23 CONTINGENT LIABILITIES

- (1) Cannon Rubber Limited has guaranteed the bank facilities granted to its fellow subsidiaries Cannon Rubber Singapore (Private) Limited to the extent of Singapore \$1,000,000 and Cannon Rubber GmbH to the extent of Dm. 100,000. At 1 January 1995 the liability under these guarantees amounted to £106,262 (1993: £208,411).
- (2) The company has guaranteed facilities for its American subsidiary undertaking to the extent of US\$100,000. The liability under this guarantee at 1 January 1995 was £nil.
- (3) The company has guaranteed certain outstanding finance lease and hire purchase obligations of its subsidiary undertaking Cannon Rubber Limited. The liability under this guarantee at 1 January 1995 was £478,178.
- (4) The company has given a guarantee in respect of borrowings by Cannon Rubber Limited from its bankers. At 1 January 1995 the liability under this guarantee amounted to £4,471,000.